

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4100
OFFERED BY MR. OXLEY OF OHIO

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Hurricane Katrina Re-
3 sponse Act”.

4 TITLE I—LOUISIANA RECOVERY
5 CORPORATION

6 SEC. 101. SHORT TITLE.

7 This title may be cited as the “Louisiana Recovery
8 Corporation Act”.

9 SEC. 102. ESTABLISHMENT OF CORPORATION.

10 (a) IN GENERAL.—There is hereby established the
11 Louisiana Recovery Corporation (hereafter in this title re-
12 ferred to as the “Corporation”).

13 (b) STATUS OF CORPORATION.—The Corporation
14 shall be an independent establishment in the executive
15 branch and shall be deemed to be an an agency of the
16 United States for purposes of subchapter II of chapter 5
17 and chapter 7 of title 5, United States Code.



1 (c) PRINCIPAL OFFICE.—The principal office of the
2 Corporation shall be located in the State of Louisiana, but
3 there may be established agencies or branch offices in the
4 District of Columbia and in any municipality or parish in
5 Louisiana to the extent provided for in the by-laws of the
6 Corporation.

7 (d) CORPORATE DIVISIONS.—

8 (1) IN GENERAL.—At a minimum, the Corpora-
9 tion shall establish and maintain separate divisions
10 for the following subjects:

11 (A) Environment and Land Use Manage-
12 ment.

13 (B) Economic Development.

14 (C) Property Acquisition.

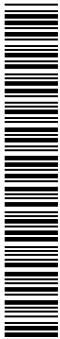
15 (D) Property Management.

16 (E) Property Disposition.

17 (F) Urban Homesteading and Community
18 and Faith-Based Organizations.

19 (2) MANAGEMENT OF DIVISIONS.—Management
20 of each division shall be vested in an executive vice
21 president who shall be appointed by the Board of
22 Directors.

23 (e) PROPERTY OWNERS' RIGHTS AND PROTEC-
24 TIONS.—



1 (1) NO AUTHORITY TO EXERCISE EMINENT DO-
2 MAIN.—The Corporation shall have no authority to
3 acquire interests in property by eminent domain.

4 (2) NO COERCION OF PROPERTY OWNERS.—
5 Any contract entered into between a property owner
6 and the Corporation shall not be enforceable if such
7 property owner was subject to undue coercion on the
8 part of the Corporation.

9 (3) PROPERTY OWNER'S RIGHT TO "OPT
10 OUT".—No provision of this title shall be construed
11 as denying any property owner the right to opt out
12 of any dealings with the Corporation, subject to the
13 terms of any contract or agreement previously en-
14 tered into.

15 (4) LOCAL INVITATION.—Notwithstanding any
16 other provision of this title, the Corporation may
17 take no action in any municipality or parish unless
18 the local government of such municipality or parish
19 has adopted a resolution of invitation for the Cor-
20 poration's assistance.

21 **SEC. 103. MANAGEMENT.**

22 (a) BOARD OF DIRECTORS.—

23 (1) IN GENERAL.—The management of the
24 Corporation shall be vested in a Board of Directors
25 consisting of 7 individuals appointed by the Presi-



1 dent as follows from among individuals who are citi-
2 zens of the United States and who, by virtue of their
3 education, training or experience in environmental
4 land reclamation, economic development, housing de-
5 velopment, land use, or urban planning, are espe-
6 cially qualified to serve on the Board of Directors.

7 (2) NOMINATIONS BY GOVERNOR OF LOU-
8 ISIANA.—3 of the members of the Board of Direc-
9 tors shall be appointed under paragraph (1) from
10 among individuals who are nominated for appoint-
11 ment by the Governor of Louisiana.

12 (3) POLITICAL AFFILIATION.—Not more than 4
13 of the members of the Board of Directors may be
14 members of the same political party.

15 (4) QUORUM.—4 members of the Board of Di-
16 rectors shall constitute a quorum but a lesser num-
17 ber may hold hearings.

18 (b) CHAIRPERSON AND VICE CHAIRPERSON.—

19 (1) CHAIRPERSON.—1 of the 4 members of the
20 Board of Directors who were not nominated by the
21 Governor of Louisiana shall be designated by the
22 President, by and with the advice and consent of the
23 Senate, to serve as Chairperson of the Board of Di-
24 rectors and the chief executive officer of the Cor-
25 poration.



1 (2) VICE CHAIRPERSON.—1 of the 3 members
2 of the Board of Directors who were nominated by
3 the Governor of Louisiana shall be designated by the
4 President to serve as Vice Chairperson of the Board
5 of Directors.

6 (3) ACTING CHAIRPERSON.—In the event of a
7 vacancy in the position of Chairperson of the Board
8 of Directors or during the absence or disability of
9 the Chairperson, the Vice Chairperson shall act as
10 Chairperson and the chief executive officer of the
11 Corporation.

12 (c) TERMS.—

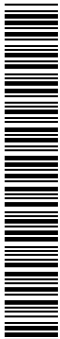
13 (1) IN GENERAL.—Each member of the Board
14 of Directors shall be appointed to a term of 5 years.

15 (2) STAGGERED TERMS.—Of the members first
16 appointed to the Board of Directors after the date
17 of the enactment of this Act—

18 (A) 2 shall be appointed for a term of 5
19 years (1 of whom shall be the member des-
20 ignated as the Chairperson);

21 (B) the 3 members who were nominated by
22 the Governor of Louisiana shall be appointed
23 for a term of 3 years; and

24 (C) 2 shall be appointed for a term of 2
25 years.



1 (3) INTERIM APPOINTMENTS.—Any member ap-
2 pointed to fill a vacancy occurring before the expira-
3 tion of the term for which such member's prede-
4 cessor was appointed shall be appointed only for the
5 remainder of such term.

6 (4) CONTINUATION OF SERVICE.—The Chair-
7 person, Vice Chairperson, and each appointed mem-
8 ber may continue to serve after the expiration of the
9 term of office to which such member was appointed
10 until a successor has been appointed and qualified.

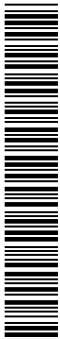
11 (5) REMOVAL FOR CAUSE.—The Chairperson,
12 Vice Chairperson, and any appointed member may
13 may be removed by the President for cause.

14 (6) FULL-TIME SERVICE.—The members of the
15 Board of Directors shall serve on a full-time basis.

16 (d) VACANCY.—Any vacancy on the Board of Direc-
17 tors shall be filled in the manner in which the original
18 appointment was made.

19 (e) INELIGIBILITY FOR OTHER OFFICES.—

20 (1) OTHER GOVERNMENT POSITIONS.—No per-
21 son may serve as a member of the Board of Direc-
22 tors while holding any position as an officer or em-
23 ployee of the Federal Government, any State govern-
24 ment, or any political subdivision of any State.



1 (2) RESTRICTION DURING SERVICE.—No mem-
2 ber of the Board of Directors may—

3 (A) be an officer or director of any insured
4 depository institution, insured credit union, de-
5 pository institution holding company, Federal
6 reserve bank, Federal home loan bank, invest-
7 ment bank, mortgage bank, real estate develop-
8 ment company, realtor, or any other entity
9 which enters into any contract with the Cor-
10 poration; or

11 (B) hold stock in any insured depository
12 institution, depository institution holding com-
13 pany, investment bank, mortgage bank, real es-
14 tate development company, realtor, or any other
15 entity which enters into any contract with the
16 Corporation.

17 (3) CERTIFICATION.—Upon taking office, each
18 member of the Board of Directors shall certify under
19 oath that such member has complied with this sub-
20 section and such certification shall be filed with the
21 secretary of the Board of Directors.

22 (f) CLARIFICATION OF NONLIABILITY.—

23 (1) IN GENERAL.—A director, member, officer,
24 or employee of the Corporation has no liability under
25 the Securities Act of 1933 with respect to any claim



1 arising out of or resulting from any act or omission
2 by such person within the scope of such person's em-
3 ployment in connection with any transaction involv-
4 ing the acquisition or disposition of assets (or any
5 interests in any assets or any obligations backed by
6 any assets) by the Corporation. This subsection shall
7 not be construed to limit personal liability for crimi-
8 nal acts or omissions, willful or malicious mis-
9 conduct, acts or omissions for private gain, or any
10 other acts or omissions outside the scope of such
11 person's employment.

12 (2) EFFECT ON OTHER LAW.— This subsection
13 shall not be construed as—

14 (A) affecting—

15 (i) any other immunities and protec-
16 tions that may be available to person to
17 whom paragraph (1) applies under applica-
18 ble law with respect to such transactions,
19 or

20 (ii) any other right or remedy against
21 the Corporation, against the United States
22 under applicable law, or against any per-
23 son other than a person described in para-
24 graph (1) participating in such trans-
25 actions; or



1 (B) limiting or altering in any way the im-
2 munities that are available under applicable law
3 for Federal officials and employees not de-
4 scribed in this subsection.

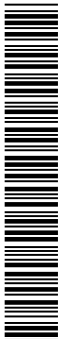
5 (g) LOCAL DEVELOPMENT PLANS; A COMMUNITY-
6 BASED COLLABORATIVE APPROACH.—

7 (1) ESTABLISHMENT OF LOCAL ADVISORY
8 COUNCIL.—

9 (A) IN GENERAL.—The Corporation shall
10 provide for the establishment of a local advisory
11 council in each parish of the State of Louisiana
12 in which the Corporation operates.

13 (B) MEMBERSHIP.—Each local advisory
14 council shall consist of such local elected offi-
15 cials (including municipal officials), community
16 groups (such as homeowners and community
17 associations), and other interested, qualified,
18 groups as the Corporation may determine to be
19 appropriate.

20 (C) CONSULTATION.—The Corporation
21 shall consult with each local advisory council
22 concerning all actions and projects of the Cor-
23 poration that affect any portion of the parish
24 for which such council is appointed. The Cor-
25 poration shall also ensure that its consultations



1 involve a broad range of local officials and com-
2 munity groups, including those that are not
3 part of the formal advisory council. The Cor-
4 poration shall hold public meetings, periodically
5 and in advance of major decisions, in the af-
6 fected parishes to receive input from the af-
7 fected communities.

8 (2) LOCAL DEVELOPMENT PLANS.—In exe-
9 cuting the redevelopment mandate under this title,
10 the Corporation—

11 (A) shall take into account and comply
12 with any redevelopment plan established by
13 State and local government officials; and

14 (B) may only solicit bids for such redevel-
15 opment that are based on and comply with a
16 plan developed by local governments, if such a
17 plan exists.

18 (h) APPEARANCES BEFORE THE CONGRESS.—The
19 Chairperson of the Board of Directors shall appear before
20 the Committee on Financial Services of the House of Rep-
21 resentatives annually regarding all aspects of the oper-
22 ation and financing of the Corporation, together with such
23 other members of the Board of Directors as the Com-
24 mittee may require.



1 **SEC. 104. CAPITALIZATION OF THE CORPORATION.**

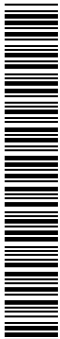
2 (a) IN GENERAL.—The Corporation shall have cap-
3 ital stock subscribed to by the United States Government
4 in such amount as the President may determine to be ap-
5 propriate.

6 (b) CERTIFICATES.—Certificates evidencing shares of
7 nonvoting capital stock of the Corporation shall be issued
8 by the Corporation to the President of the United States,
9 or to such other person or persons as the President may
10 designate from time to time, to the extent of payments
11 made for the capital stock of the Corporation.

12 (c) PUBLIC DEBT TRANSACTION.—For the purpose
13 of purchasing shares of capital stock of the Corporation,
14 the Secretary of the Treasury may use as a public-debt
15 transaction the proceeds of any securities issued under
16 chapter 31 of title 31, United States Code.

17 (d) REPORTS.—

18 (1) IN GENERAL.—The Board of Directors shall
19 submit to the Director of the Office of Management
20 and Budget and to the Secretary of the Treasury
21 quarterly reports and an annual report on the ex-
22 penses of the Corporation during the period covered
23 by the report, the financial condition of the Corpora-
24 tion as of the end of such period, the results of the
25 Corporation's operations during such period, and the
26 progress made during such period in fulfilling the



1 mission and purposes of the Corporation, together
2 with a copy of the Corporation's financial operating
3 plans and forecasts for the annual or quarterly pe-
4 riod (as the case may be) succeeding the period cov-
5 ered by the report.

6 (2) PUBLIC AVAILABILITY.—Each report sub-
7 mitted to the Director of the Office of Management
8 and Budget and to the Secretary of the Treasury
9 under paragraph (1) shall be made available to the
10 public.

11 (e) TERMINATION OF AUTHORITY TO ISSUE
12 STOCK.—No shares of capital stock of the Corporation
13 may be issued after the end of the 10-year period begin-
14 ning on the date of the enactment of this Act.

15 (f) REVENUE USED TO RETIRE STOCK.—Any net
16 revenue of the Corporation in excess of amounts required
17 to meet on-going expenses and investments shall be paid
18 to the Secretary of the Treasury to redeem the capital
19 stock of the Corporation and shall be deposited in the gen-
20 eral fund of the Treasury.

21 (g) AUTHORIZATION OF APPROPRIATIONS.—Of any
22 amounts previously appropriated for “Disaster Relief”
23 under the Emergency Preparedness and Response account
24 of the Department of Homeland Security that remain
25 available, \$100,000,000 shall be available, subject to ap-



1 proval in advance in appropriation Acts, to the Corpora-
2 tion for fiscal year 2006 as start-up funding for the Cor-
3 poration.

4 **SEC. 105. MISSION, PURPOSE, AND DUTIES OF THE COR-**
5 **PORATION.**

6 (a) MISSION.—The primary mission and purpose of
7 the Corporation shall be the economic stabilization and re-
8 development of areas within Louisiana that were dev-
9 astated or significantly distressed by Hurricane Katrina
10 or Hurricane Rita.

11 (b) ECONOMIC STABILIZATION.—In executing its eco-
12 nomic stabilization mandate, the Corporation shall, after
13 consultation with State and local officials and pursuant
14 to agreement that eligible properties are not likely to be
15 redeveloped without Corporation assistance, locate and ac-
16 quire real property (commercial and residential) in such
17 a manner and subject to such conditions that the rights
18 of property owners and occupants under this title have
19 been provided, and such that, upon the consummation of
20 any acquisition of real property securing a mortgage
21 loan—

22 (1) the mortgagee's debt shall be considered
23 paid in full by the mortgagor; and



1 (2) all title and interest in the real property se-
2 curing such mortgage loan passes to the Corpora-
3 tion.

4 (c) REDEVELOPMENT.—In executing its redevelop-
5 ment mandate, the Corporation shall, after consultation
6 with State and local officials, carry out the following ac-
7 tivities:

8 (1) Package for sale acquired real property in
9 substantial tracts of land.

10 (2) Make improvements to such tracts of land
11 so as to make the land suitable for sale and develop-
12 ment, including such basic improvements as the fol-
13 lowing:

14 (A) Construction and reconstruction of
15 neighborhood roads.

16 (B) Repair or replacement of water and
17 wastewater infrastructure.

18 (C) Similar activities necessary to maxi-
19 mize the return on acquired real property.

20 (3) Through a competitive bidding process, dis-
21 pose of such acquired properties in a profitable man-
22 ner.

23 (4) In consultation with State and local offi-
24 cials, provide for the protection and preservation of
25 historical and other sites of cultural significance in



1 such a manner that promotes local heritage and in-
2 terest.

3 (5) Utilize state of the art community design
4 techniques and planning that maximize community
5 involvement, minimize commute times, and give ap-
6 propriate consideration to green space and the nat-
7 ural environment.

8 (6) Seek to ensure equitable treatment among
9 communities and areas.

10 (d) OFFICE OF INTERNAL AUDIT.—

11 (1) ESTABLISHMENT.—The Board of Directors
12 shall establish an audit committee, to be known as
13 the Office of Internal Audit.

14 (2) REPORTS.—The Office of Internal Audit
15 shall report to the Board of Directors no less than
16 4 times a year on the Office's reviews of the activi-
17 ties, contracts, and financial statements of the Cor-
18 poration.

19 (3) EMPLOYEES.—The Office of Internal Audit
20 shall set the compensation and benefits for the em-
21 ployees of the Office.

22 (4) RELATIONSHIP TO INSPECTOR GENERAL.—
23 Notwithstanding any provision of the Inspector Gen-
24 eral Act of 1978, the Board of Directors shall pro-



1 vide for the Inspector General to report to the Office
2 of Internal Audit and to the Board of Directors.

3 (e) INSPECTOR GENERAL.—For purposes of the In-
4 specter General Act of 1978—

5 (1) the Board of Directors shall be treated as
6 the head of the establishment; and

7 (2) the Corporation shall be treated as the es-
8 tablishment.

9 **SEC. 106. PROPERTY ACQUISITION AUTHORITY AND METH-**
10 **ODOLOGY.**

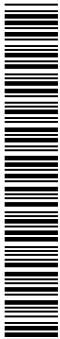
11 (a) IN GENERAL.—Pursuant to section 105(b), the
12 Corporation shall negotiate to acquire title to real property
13 and compensate any property owner, mortgagee or pri-
14 mary lien holder with an interest in such real property.

15 (b) PURCHASE OFFER FOR REAL PROPERTY SE-
16 CURED BY A LIEN.—The Corporation shall take into con-
17 sideration the following in constructing offers of com-
18 pensation for the acquisition of real property secured by
19 a lien:

20 (1) The Corporation's expenses to improve the
21 property for sale and development.

22 (2) The Corporation's anticipated return upon
23 the property's disposition.

24 (3) The remaining principle balance of any out-
25 standing mortgage.



1 (4) In accordance with subsection (h), the eq-
2 uity position of the owner in the property imme-
3 diately before the area in which such property is lo-
4 cated was devastated or significantly distressed by
5 Hurricane Katrina or Hurricane Rita and the appro-
6 priate loss share factor for such property (as deter-
7 mined under subsection (g)(2)).

8 (5) Any potential net loss to the Corporation,
9 and indirectly to the taxpayers, upon final disposi-
10 tion of the property.

11 (c) PURCHASE FROM OWNER.—The Corporation
12 shall take into consideration the following in constructing
13 offers of compensation for any real property where no lien
14 secures such real property:

15 (1) The Corporation's expenses to improve the
16 property for sale and development.

17 (2) The Corporation's anticipated return upon
18 the property's disposition.

19 (3) In accordance with subsection (h), the eq-
20 uity position of the owner in the property imme-
21 diately before the area in which such property is lo-
22 cated was devastated or significantly distressed by
23 Hurricane Katrina or Hurricane Rita and the appro-
24 priate loss share factor for such property (as deter-
25 mined under subsection (g)(2)).



1 (4) Any potential net loss to the Corporation,
2 and indirectly to the taxpayers, upon final disposi-
3 tion of the property.

4 (d) RIGHT OF FIRST REFUSAL AND OPTION TO RE-
5 PURCHASE REAL PROPERTY.—

6 (1) IN GENERAL.—Subject to paragraph (2),
7 the Corporation shall ensure that any entity awarded
8 a contract under section 107 shall grant a right of
9 first refusal and option to obtain an interest in real
10 property of comparable size and location in redev-
11 oped areas to any party previously holding title.

12 (2) GUIDELINES FOR EXERCISE.—The Corpora-
13 tion shall—

14 (A) ensure that the right of first refusal
15 and option to obtain an interest in real property
16 that are granted pursuant to paragraph (1) are
17 granted before the real property is listed for
18 public sale; and

19 (B) shall establish guidelines to provide
20 that any party receiving the option to obtain an
21 interest in real property is given adequate time
22 to consider and exercise such option.

23 (e) RIGHT TO RETAIN AN INTEREST IN REAL PROP-
24 erty.—



1 (1) PROPERTY OWNER OR MORTGAGEE RIGHT
2 TO RETAIN INTEREST.—The Corporation shall offer
3 any property owner or mortgagee an option to retain
4 an interest in real property of comparable size and
5 location, subject to the following conditions:

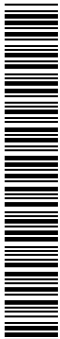
6 (A) The Corporation shall pay no com-
7 pensation to the property owner or mortgagee.

8 (B) The property owner or mortgagee shall
9 compensate the Corporation for expenses to im-
10 prove the property for sale and development
11 when such property owner or mortgagee obtains
12 construction financing for development of the
13 property.

14 (2) REQUIREMENT TO DEVELOP PROPERTY.—
15 Any property owner or mortgagee exercising a right
16 to retain interest in a property shall—

17 (A) obtain construction financing within
18 90 days of notification by the Corporation that
19 the area in which the property owner or mort-
20 gagee retains an interest is available for devel-
21 opment; and

22 (B) complete construction of a replacement
23 residential or commercial structure, as applica-
24 ble, within 2 years of a notification pursuant to
25 subparagraph (A).



1 (3) CONTRACT TERMS AND ENFORCEMENT.—

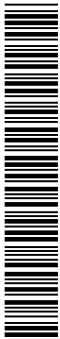
2 (A) CONTRACT REQUIRED.—In any case in
3 which a property owner or mortgagee exercises
4 a right to retain interest in a property, the
5 rights and responsibilities of the Corporation
6 and the property owner or mortgagee shall be
7 fully detailed in a contract.

8 (B) TERMS TO BE INCLUDED.—Among
9 such other terms as may be agreed upon by the
10 parties, any contract described in subparagraph
11 (A) shall include the following provisions:

12 (i) A mechanism that allows the Cor-
13 poration to take control of the property for
14 a set price and to receive compensation for
15 any expenses incurred by the Corporation
16 if a breach of contract by the property
17 owner or mortgagee occurs.

18 (ii) A requirement that—

19 (I) the property owner or mort-
20 gagee reimburse the Corporation for
21 such owner's or mortgagee's pro rata
22 share of the costs associated with
23 making the property suitable for de-
24 velopment; and



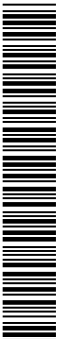
1 (II) such reimbursement be made
2 within 90 days of the property owner
3 or mortgagee having been notified by
4 a developer that the property is now
5 available for redevelopment.

6 (iii) A requirement that the develop-
7 ment of the property be completed by the
8 property owner or mortgagee within at
9 least 2 years from the time such owner or
10 mortgagee is notified by the developer that
11 the property is now available for redevelop-
12 ment.

13 (iv) A mitigation notice and review
14 procedure that meets the requirement of
15 subparagraph (C).

16 (C) MITIGATION NOTICE AND REVIEW PRO-
17 CEDURE.—

18 (i) NOTICE.—If the Corporation cer-
19 tifies in writing that a property owner or
20 mortgagee has failed to comply with the
21 requirements of paragraph (2), the Cor-
22 poration shall provide an opportunity for
23 such owner or mortgagee to inform the
24 Corporation of mitigating circumstances to
25 provide a justification for such failure.

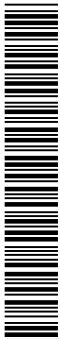


1 (ii) REVIEW AND RELIEF.—The Cor-
2 poration may modify the terms of the con-
3 tract to provide relief for the property
4 owner or mortgagee if the Corporation, in
5 the sole discretion of the Corporation and
6 after review of the mitigating cir-
7 cumstances provided under clause (i) de-
8 termines that such relief is warranted.

9 (4) OBLIGATION OF SUBSEQUENT OWNERS
10 UPON SALE BY OWNER.—If a property owner enters
11 into a contract with the Corporation under this sub-
12 section with respect to an interest of such owner in
13 property and subsequently alienates or disposes of
14 such interest, or any portion of such interest, in
15 property, any continuing obligation of the property
16 owner under the contract runs with the interest in
17 property to the successor owner or holder of such in-
18 terest or portion of an interest in the property.

19 (f) CALCULATION OF EXPENSES AND POTENTIAL
20 NET LOSS.—

21 (1) DETERMINATION OF EXPENSES.—In deter-
22 mining the Corporation's expenses for the purposes
23 or making purchase offers under subsection (b) or
24 (c) or seeking reimbursement from a property owner
25 under subsection (d), the Corporation shall not seek



1 to recover costs for which it has been reimbursed
2 from other sources.

3 (2) DETERMINATION OF POTENTIAL LOSS.—In
4 determining the potential net loss to the Corporation
5 under subsections (b)(5) and (c)(4), the Corporation
6 shall seek to provide equitable treatment of property
7 owners without regard to the specific property or
8 area or the level of interest in redevelopment that
9 property or area.

10 (g) ARBITRATION.—

11 (1) IN GENERAL.—If a property owner has any
12 dispute with regard to the amount and terms of an
13 offer for the property of such owner by the Corpora-
14 tion or the valuation of the property, an arbitration
15 process established in accordance with paragraph (2)
16 may be invoked by the property owner.

17 (2) ARBITRATION PROCESS.—The arbitration
18 process established under this subsection shall pro-
19 vide for—

20 (A) the selection of a neutral arbitrator se-
21 lected by both parties from among individual
22 appraisers who, by virtue of their education,
23 training, and experience, are specially qualified
24 with regard to arbitration and appraisals of



1 Louisiana real estate values prior to August 28,
2 2005;

3 (B) the use by the arbitrator of the same
4 criteria as the Corporation under this title; and

5 (C) the payment of the costs of the process
6 by the Corporation.

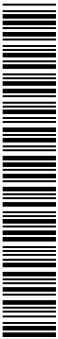
7 (3) CORPORATION.—For a period of 60 days
8 after the determination of the arbitrator, the Cor-
9 poration shall honor the terms of the determination
10 of the arbitrator.

11 (4) PROPERTY OWNER.—The property owner
12 may reject the offer of the Corporation and the de-
13 termination of the arbitrator, without penalty, at
14 any time before a binding contract is entered into.

15 (h) LIMITATIONS ON PAYMENT; PROHIBITION
16 AGAINST WINDFALL; LOSS SHARING.—

17 (1) IN GENERAL.—In constructing and extend-
18 ing offers to acquire real property, or any mortgage
19 on such property, under this section, the Corpora-
20 tion shall ensure that—

21 (A) in no case may the cumulative pay-
22 ment by the Corporation to any individual for
23 the purposes of acquiring real property exceed
24 \$500,000;



1 (B) in no case may any person be the ben-
2 eficiary of a windfall gain as a result of any
3 purchase offer extended by the Corporation;

4 (C) in no case may the cumulative pay-
5 ment by the Corporation to any individual be
6 less than 60 percent of the individual's equity
7 as established pursuant to subsection (i);

8 (D) in no case may the cumulative pay-
9 ment by the Corporation to any lien holder on
10 any individual lien exceed 60 percent of the
11 value of that lien; and

12 (E) in no case may the Corporation make
13 offers for the purchase of foreclosed property.

14 (2) LOSS SHARING.—In order to limit the losses
15 and expenses of the Corporation and any potential
16 cost to the taxpayers, any offer made by the Cor-
17 poration under this section to any property owner or
18 mortgagee with respect to any interest in property
19 or any mortgage shall include an appropriate reduc-
20 tion such that an equitable and negotiable portion of
21 any loss with respect to such property or mortgage
22 is shared by the owner and any mortgagee.

23 (i) FACTORS TO BE CONSIDERED IN DETERMINING
24 EQUITY POSITION OF THE OWNER.—In making any de-
25 termination concerning the equity position of an owner of



1 property immediately before the area in which such prop-
2 erty is located was devastated or significantly distressed
3 by Hurricane Katrina or Hurricane Rita for purposes of
4 subsections (b) and (c), the Corporation shall consider all
5 of the following:

6 (1) A pre-event appraisal in a verifiable loan
7 record held by a federally insured depository institu-
8 tion, federally insured credit union, or housing-re-
9 lated Government-sponsored enterprise.

10 (2) The pre-event assessed value on record by
11 a unit of local government that serves as the basis
12 for determining property taxes.

13 (3) The pre-event fair market value as would be
14 determined under existing federal hazard mitigation
15 programs as authorized under the Robert T. Staf-
16 ford Disaster Relief and Emergency Assistance Act
17 and the National Flood Insurance Act (such as the
18 Hazard Mitigation Program, Pre-Disaster Mitigation
19 Program, and the Flood Mitigation Assistance Pro-
20 gram).

21 (4) Any other evidence of pre-event valuation
22 that the Corporation finds is sufficiently reliable and
23 subject to adequate verification, including methods
24 of valuation considered to be commercially reason-
25 able and broadly used in real estate dealings.



1 **SEC. 107. ASSET DISPOSITION AUTHORITY AND METHOD-**
2 **LOGY.**

3 (a) DISPOSITION OF PROPERTY.—Pursuant to sec-
4 tion 105(c), the Corporation shall dispose of property
5 through a competitive bidding process under which pur-
6 chasers are selected based on an ability to meet select cri-
7 teria established by the Corporation, which shall include
8 the following:

9 (1) Capacity to oversee major development
10 projects through a community-based collaborative
11 process.

12 (2) Commitment of private capital.

13 (3) Effective deployment of Federal National
14 Mortgage Association, Federal Home Loan Mort-
15 gage Corporation, Federal home loan bank, and
16 other Federal or State resources (such as low-income
17 housing tax credits, new markets tax credits, the
18 HOPE VI program, enterprise zones, and the His-
19 torically Underutilized Business Zones or section
20 8(a) Programs of the Small Business Administra-
21 tion) to ensure construction of affordable housing.

22 (4) Use of private contractors and subcontractors.
23

24 (5) Use of local corporations and local employ-
25 ees.



1 (6) Use of small, disadvantaged business enter-
2 prise contractors or subcontractors.

3 (7) Scale of development and job creation.

4 (8) Increased homeownership.

5 (b) URBAN HOMESTEAD PROGRAM.—The Corpora-
6 tion shall assist in the implementation of an urban home-
7 stead program by providing the following:

8 (1) Land to the Federal Government for devel-
9 opment as urban homesteads.

10 (2) Down payment assistance and other seed
11 money to enable homestead construction.

12 (3) Coordination with not-for-profit and faith-
13 based organizations in the construction and develop-
14 ment of urban homesteads.

15 (c) OTHER DISPOSITION.—The Corporation shall en-
16 sure that acquired property not made available for an
17 urban homestead shall be disposed of in a manner that
18 maximizes the return on the sale of acquired property to
19 retire debt attributable to the Corporation.

20 (d) ACCOUNTING REQUIREMENTS.—

21 (1) ACCOUNTING FOR HOLDING AND MANAGING
22 ASSETS AND LIABILITIES.—The Corporation shall
23 keep a full and complete accounting of all costs and
24 expenses associated with the holding and manage-
25 ment of any asset or liability acquired by the Cor-



1 poration in carrying out the duties of the Corpora-
2 tion under this title.

3 (2) ACCOUNTING FOR DISPOSITION OF ASSETS
4 AND LIABILITIES.—The Corporation shall keep a full
5 and complete accounting of all expenses and receipts
6 associated with the disposition of any asset or liabil-
7 ity acquired by the Corporation in carrying out the
8 duties of the Corporation under this title.

9 (e) UTILIZATION OF PRIVATE SECTOR.—In carrying
10 out its responsibilities in the management and disposition
11 of assets under this title, the Corporation shall utilize the
12 services of private persons, including real estate and loan
13 portfolio asset management, property management, auc-
14 tion marketing, legal, and brokerage services, only if such
15 services are available in the private sector and the Cor-
16 poration determines utilization of such services is the most
17 practicable, efficient, and cost effective.

18 **SEC. 108. POWERS OF THE CORPORATION.**

19 (a) POWERS.—The Corporation shall be a body cor-
20 porate that shall have the power to—

21 (1) adopt, alter, and use a corporate seal;

22 (2) provide for such other officers and employ-
23 ees as may be necessary to perform the functions of
24 the Corporation, define their duties, and require sur-



1 ety bonds or make other provisions against losses oc-
2 casioned by acts of such persons;

3 (3) fix the compensation and number of, and
4 appoint, employees for any position established by
5 the Corporation, without regard to the provisions of
6 chapter 51 or subchapter III of chapter 53 of title
7 5;

8 (4) sue and be sued, and complain and defend,
9 by and through its own attorneys, in any court of
10 law or equity, State or Federal;

11 (5) with the consent of any executive agency,
12 department, or independent agency utilize the infor-
13 mation, services, staff, and facilities of such depart-
14 ment or agency, on a reimbursable (or other) basis,
15 in carrying out this section;

16 (6) prescribe, by the Board of Directors, bylaws
17 that are consistent with law to provide for—

18 (A) the management and operational struc-
19 ture of the Corporation, subject to sections
20 102(d) and 103;

21 (B) the manner in which general oper-
22 ations are to be conducted; and

23 (C) such other matters as the Board of Di-
24 rectors determines to be appropriate;



1 (7) enter into contracts and modify or consent
2 to the modification of any contract or agreement;

3 (8) use the United States mails in the same
4 manner and subject to the same conditions as other
5 departments or agencies of the United States; and

6 (9) exercise, by the Board of Directors, or duly
7 authorized officers or agents, any and all powers es-
8 tablished under this section and such incidental pow-
9 ers as are necessary to carry out the powers, duties,
10 and functions of the Corporation and the Board of
11 Directors under this title.

12 (b) TERMINATION OF CONTRACT FOR CAUSE.—In
13 the case of any service contract between the Corporation
14 and any other person, the Corporation may terminate such
15 contract for cause, whether by reason of breach of con-
16 tract, violation of regulations or guidelines of the Corpora-
17 tion, or otherwise, or bar any such person from entering
18 into any other contract, after notice and an opportunity
19 for an agency hearing on the record.

20 (c) HEARINGS AND SESSIONS.—

21 (1) IN GENERAL.—The Corporation may, for
22 the purposes of carrying out this title, hold hearings,
23 sit and act at times and places, take testimony, and
24 receive evidence as the Corporation determines to be
25 appropriate.



1 (2) SUMMONS.—In the course of or in connec-
2 tion with any proceeding under this title or in con-
3 nection with any claim, the Corporation, or any des-
4 ignated representative of the Corporation, including
5 any person designated to conduct any hearing under
6 this section, shall have the power to administer
7 oaths and affirmations, to take or cause to be taken
8 depositions, and to issue, revoke, quash, or modify
9 subpenas and subpenas duces tecum; and the Cor-
10 poration is empowered to make rules and regulations
11 with respect to any such proceedings, claims, exami-
12 nations, or investigations.

13 (3) ADMINISTRATIVE ASPECTS OF SUMMONS.—

14 (A) PRODUCTION AT DESIGNATED SITE.—

15 A summons issued pursuant to this section may
16 require that books, papers, records, or other
17 data stored or maintained at any place be pro-
18 duced at any designated location in any State
19 or in any territory or other place subject to the
20 jurisdiction of the United States not more than
21 500 miles distant from any place where the per-
22 son resides or operates or conducts business in
23 the United States.

24 (B) FEES AND TRAVEL EXPENSES.—Per-
25 sons summoned under this section shall be paid



1 the same fees and mileage for travel in the
2 United States that are paid witnesses in the
3 courts of the United States.

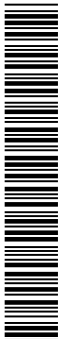
4 (C) NO LIABILITY FOR EXPENSES.—The
5 United States shall not be liable for any ex-
6 pense, other than an expense described in sub-
7 paragraph (B), incurred in connection with the
8 production of books, papers, records, or other
9 data under this section.

10 (D) SERVICE OF SUMMONS.—Service of a
11 summons issued under this subsection may be
12 by registered mail or in such other manner cal-
13 culated to give actual notice as the Corporation
14 may prescribe by regulation.

15 (4) CONTUMACY OR REFUSAL.—

16 (A) IN GENERAL.—In case of contumacy
17 by a person issued a summons under this sub-
18 section or a refusal by such person to obey such
19 summons, the Corporation may invoke the aid
20 of any court of the United States within the ju-
21 risdiction of which—

22 (i) the investigation which gave rise to
23 the summons is being or has been carried
24 on;



1 (ii) the person summoned is an inhab-
2 itant; or

3 (iii) the person summoned carries on
4 business or may be found, to compel com-
5 pliance with the summons.

6 (B) COURT ORDER.—The court may issue
7 an order requiring the person summoned to ap-
8 pear before the Corporation or a delegate of the
9 Corporation to produce books, papers, records,
10 and other data, to give testimony as may be
11 necessary to explain how such material was
12 compiled and maintained, and to pay the costs
13 of the proceeding.

14 (C) FAILURE TO COMPLY WITH ORDER.—
15 Any failure to obey the order of the court may
16 be punished by the court as a contempt thereof.

17 (D) SERVICE OF PROCESS.—All process in
18 any case under this paragraph may be served in
19 any judicial district in which such person may
20 be found.

21 (d) AGENCY AUTHORITY.—

22 (1) STATUS.—The Corporation, in any capacity,
23 shall be an agency of the United States for purposes
24 of section 1345 of title 28 without regard to whether
25 the Corporation commenced the action.



1 (2) FEDERAL COURT JURISDICTION.—

2 (A) IN GENERAL.—All suits of a civil na-
3 ture at common law or in equity to which the
4 Corporation, in any capacity, is a party shall be
5 deemed to arise under the laws of the United
6 States.

7 (B) REMOVAL.—The Corporation may,
8 without bond or security, remove any action,
9 suit, or proceeding from a State court to the
10 appropriate United States district court before
11 the end of the 90-day period beginning on the
12 date the action, suit, or proceeding is filed
13 against the Corporation or the Corporation is
14 substituted as a party.

15 (C) APPEAL OF REMAND.—The Corpora-
16 tion may appeal any order of remand entered
17 by any United States district court.

18 (3) SERVICE OF PROCESS.—The Board of Di-
19 rectors shall designate agents upon whom service of
20 process may be made in Louisiana and the District
21 of Columbia.

22 (4) BONDS OR FEES.—The Corporation shall
23 not be required to post any bond to pursue any ap-
24 peal and shall not be subject to payments of any fil-



1 ing fees in United States district courts or courts of
2 appeal.

3 **SEC. 109. TERMINATION OF CORPORATION.**

4 (a) IN GENERAL.—The Corporation shall terminate
5 at the end of the 10-year period beginning on the date
6 of the enactment of this Act.

7 (b) WINDING UP THE AFFAIRS OF THE CORPORA-
8 TION.—Any right, title, interest, or obligation of the Cor-
9 poration with respect to liabilities or assets of the Cor-
10 poration which have not been fully disposed of by the end
11 of the 10-year period referred to in paragraph (1) shall
12 transfer, as of the end of such period, to the Director of
13 the Office of Management and Budget who shall promptly
14 wind up the affairs of the Corporation and dispose of such
15 assets and liabilities.

16 **TITLE II—HOUSING AND**
17 **COMMUNITY REBUILDING**

18 **SEC. 201. PUBLIC HOUSING CAPITAL FUND RESERVES FOR**
19 **EMERGENCIES AND NATURAL DISASTERS.**

20 (a) AVAILABILITY OF FUNDS SET-ASIDE IN PRE-
21 VIOUS YEARS.—Notwithstanding any other provision of
22 law, any amounts set aside in fiscal years 2003, 2004, and
23 2005 for use under section 9(k) of the United States
24 Housing Act of 1937 (42 U.S.C. 1437g(k)) and remaining
25 unobligated on the date of the enactment of this Act shall

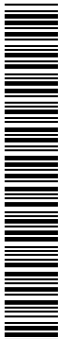


1 be available for use under such section (not including
2 paragraph (4) of such section) for emergencies and other
3 disasters occurring in fiscal year 2005, and shall remain
4 available until expended.

5 (b) AUTHORIZATION OF APPROPRIATIONS.—Of any
6 amounts previously appropriated for “Disaster Relief”
7 under the Emergency Preparedness and Response account
8 of the Department of Homeland Security that remain
9 available, \$100,000,000 shall be available, subject to ap-
10 proval in advance in appropriation Acts, to the Secretary
11 of Housing and Urban Development for use under section
12 9(k) of the United States Housing Act of 1937 (42 U.S.C.
13 1437g(k)), and shall remain available until expended. Any
14 amounts made available pursuant to this subsection funds
15 shall be used only for activities conducted in any area for
16 which the President declared a major disaster or emer-
17 gency under title IV of the Robert T. Stafford Disaster
18 Relief and Emergency Assistance Act in connection with
19 Hurricane Katrina.

20 **SEC. 202. HOPE VI PROGRAM.**

21 Of any amounts previously appropriated for “Dis-
22 aster Relief” under the Emergency Preparedness and Re-
23 sponse account of the Department of Homeland Security
24 that remain available, \$100,000,000 shall be available,
25 subject to approval in advance in appropriation Acts, to



1 the Secretary of Housing and Urban Development for
2 grants to public housing agencies for demolition, site re-
3 talization, replacement housing, and tenant-based assist-
4 ance grants to projects, as authorized under section 24
5 of the United States Housing Act of 1937 (42 U.S.C.
6 1437v), and shall remain available until expended. Any
7 amounts made available pursuant to this section shall be
8 used only for such activities conducted in any area for
9 which the President declared a major disaster or emer-
10 gency under title IV of the Robert T. Stafford Disaster
11 Relief and Emergency Assistance Act in connection with
12 Hurricane Katrina.

13 **SEC. 203. HOME INVESTMENT PARTNERSHIPS PROGRAM.**

14 Of any amounts previously appropriated for “Dis-
15 aster Relief” under the Emergency Preparedness and Re-
16 sponse account of the Department of Homeland Security
17 that remain available, \$1,500,000,000 shall be available,
18 subject to approval in advance in appropriation Acts, to
19 the Secretary of Housing and Urban Development to carry
20 out the HOME Investment Partnership Program, as au-
21 thorized under title II of the Cranston-Gonzalez National
22 Affordable Housing Act (42 U.S.C. 12721 et seq.), and
23 shall remain available until expended. Any amounts made
24 available pursuant to this section shall be used only for
25 affordable housing activities conducted in any area for



1 which the President declared a major disaster or emer-
2 gency under title IV of the Robert T. Stafford Disaster
3 Relief and Emergency Assistance Act in connection with
4 Hurricane Katrina.

5 **SEC. 204. COMMUNITY DEVELOPMENT BLOCK GRANT AS-**
6 **SISTANCE.**

7 (a) AUTHORIZATION OF APPROPRIATIONS.—Of any
8 amounts previously appropriated for “Disaster Relief”
9 under the Emergency Preparedness and Response account
10 of the Department of Homeland Security that remain
11 available, \$13,000,000,000 shall be available, subject to
12 approval in advance in appropriation Acts, to the Sec-
13 retary of Housing and Urban Development for activities
14 authorized under title I of the Housing and Community
15 Development Act of 1974 (42 U.S.C. 5301 et seq.),
16 \$13,000,000,000, and shall remain available until ex-
17 pended.

18 (b) USE.—

19 (1) IN GENERAL.—Any amounts made available
20 pursuant to this section shall be used only for dis-
21 aster relief, long-term recovery, and mitigation in
22 communities in any area for which the President de-
23 clared a major disaster or emergency under title IV
24 of the Robert T. Stafford Disaster Relief and Emer-
25 gency Assistance Act in connection with Hurricane



1 Katrina, except those activities reimbursable by the
2 Federal Emergency Management Agency or avail-
3 able through the Small Business Administration.

4 (2) PROJECTS IN PROGRESS.—In the case of
5 any project or activity in an area described in para-
6 graph (1) that was underway before the Presidential
7 declaration with respect to such area, the project or
8 activity may not be provided any amounts made
9 available under this section unless the disaster or
10 emergency for which such declaration was made di-
11 rectly impacted the project.

12 (3) COORDINATION WITH LOUISIANA RECOVERY
13 CORPORATION.—The State of Louisiana shall, in
14 making amounts available pursuant to this section,
15 coordinate with the Louisiana Recovery Corporation,
16 and may provide for the Corporation to assume the
17 responsibilities of administering a portion of the
18 grants provided under this section.

19 (4) COORDINATION WITH REPAIR AND RE-
20 PLACEMENT OF PUBLIC HOUSING.—In making
21 amounts available under this section, each State
22 shall take into account the public infrastructure
23 needs of areas in which public housing units are lo-
24 cated which are being repaired or rebuilt.



1 (c) ALLOCATION.—Any amounts made available pur-
2 suant to this section shall be awarded by the Secretary
3 of Housing and Urban Development (in this section re-
4 ferred to as the “Secretary”) to States (including Indian
5 tribes for all purposes under this section) to be adminis-
6 tered by each State in conjunction with its community de-
7 velopment block grants program. Notwithstanding para-
8 graph (2) of section 106(d) of the Housing and Commu-
9 nity Development Act of 1974, States may provide assist-
10 ance with amounts made available under this section to
11 entitlement communities.

12 (d) WAIVER.—

13 (1) AUTHORITY.—In administering any
14 amounts made available under this section, the Sec-
15 retary may waive, or specify alternative require-
16 ments for, any provision of any statute or regulation
17 that the Secretary administers in connection with
18 the obligation by the Secretary or the use by the re-
19 cipient of such amounts (except for requirements re-
20 lated to fair housing, nondiscrimination, labor stand-
21 ards, and the environment), upon a finding that
22 such waiver is required to facilitate the use of such
23 amounts, and would not be inconsistent with the
24 overall purpose of the statute. The Secretary may
25 waive the requirements that activities benefit per-



1 sons of low and moderate income, except that at
2 least 50 percent of the amounts made available
3 under this section shall benefit primarily persons of
4 low and moderate income unless the Secretary
5 makes a finding of compelling need.

6 (2) PUBLICATION.—The Secretary shall publish
7 in the Federal Register any waiver of any statute or
8 regulation authorized under this subsection no later
9 than 5 days before the effective date of such waiver.

10 **SEC. 205. EMERGENCY RENTAL ASSISTANCE VOUCHERS.**

11 (a) IN GENERAL.—Of any amounts previously appro-
12 priated for “Disaster Relief” under the Emergency Pre-
13 paredness and Response account of the Department of
14 Homeland Security that remain available, up to
15 \$2,500,000,000 shall be available, subject to approval in
16 advance in appropriation Acts, to the Secretary of Hous-
17 ing and Urban Development (in this section referred to
18 as the “Secretary”) to provide up to 300,000 incremental
19 vouchers for tenant-based rental housing assistance under
20 section 8(o) of the United States Housing Act of 1937
21 (42 U.S.C. 1437f(o)).

22 (b) FAMILY ELIGIBILITY.—Tenant-based assistance
23 pursuant to subsection (a) may be provided only on behalf
24 of an affected family that is otherwise eligible for assist-
25 ance under such section 8(o). However, the Secretary and



1 the Federal Emergency Management Agency shall permit
2 such recipients to accept additional assistance to cover the
3 costs of utilities and for other purposes from private or
4 not-for-profit groups, without affecting their eligibility.

5 (c) ADMINISTRATION.—Notwithstanding any other
6 provision of law, the Secretary shall provide that voucher
7 assistance provided under this section may be adminis-
8 tered by faith-based organizations and community devel-
9 opment corporations that have access to dwelling units in
10 connection with which such voucher assistance may be
11 used.

12 (d) AFFECTED FAMILY.—For purposes of this sec-
13 tion, the term “affected family” means an individual or
14 family that meets the following requirements:

15 (1) The individual or family resided, on August
16 25, 2005, in any area for which the President de-
17 clared a major disaster or emergency under title IV
18 of the Robert T. Stafford Disaster Relief and Emer-
19 gency Assistance Act in connection with Hurricane
20 Katrina of 2005.

21 (2) The residence of the individual or family be-
22 came uninhabitable or inaccessible as a result of
23 such major disaster or emergency.

